



MARCO ISLAND, FL • MAY 31-JUNE 3

# the SandPaper

Reporting All the Nitty Gritty News from the 2005 National Flood Conference

## Today's Tide Report: CHANGING

THURSDAY  
JUNE 2, 2005

### TODAY'S HIGHLIGHTS

Exhibit Hall Open  
7:00 – 9:00 a.m.

Town Hall Meetings  
9:00-11:00 a.m.

Program Awards Luncheon  
11:15 a.m. – 1:30 p.m.

Workshops  
1:30 – 2:45 p.m.

Workshops  
3:00 – 4:15 p.m.

Exhibit Hall Open  
4:15 – 5:30 p.m.



FEMA

“Clean it up, we’re reforming...” A reggae beat scored the animated video—peopled by FEMA and friends—which opened the 22<sup>nd</sup> National Flood Conference yesterday. Mike Moye reprised his role of Emcee, introducing each of the morning’s five speakers.

## View from the Top

David Maurstad, Acting Director of FEMA’s Mitigation Division, welcomed conferees and described how the NFIP is changing to meet current challenges.

“Last year the NFIP received nearly 74,000 claims—a record for the program. These required almost \$1.6 billion to be resolved—another high mark for the program” explained Maurstad. “Such a significant loss year meant that, by the end of the year, the program needed (for only the fourth time since 1990) to exercise its borrowing authority. The current forecast is to have the U.S. Treasury repaid—with interest—by the end of this year. Both actions clearly indicate the strong financial health and management of the program.”

According to Maurstad, there are three areas in which FEMA is particularly focused in effecting change.

“Through the Flood Insurance Reform Act of 2004, we’ve designed supplemental information forms to help policyholders better understand the insurance coverage they buy; a policyholder handbook that describes procedures for filing a claim; and, an effective formal process by which policyholders may appeal claims decisions,” Maurstad explained. He added once the forms have been tested with focus groups and feedback incorporated, Maurstad expects these materials to be distributed and new processes to be implemented beginning October 2005.

Agent training is another area being addressed by FEMA. “Recognizing the statutory responsibility that State Insurance



Departments have across the country for licensing agents,” said Maurstad, “we are working with the National Association of Insurance Commissioners and the National Conference of Insurance Legislators to ensure that agents have access to the flood insurance training that is necessary to meet the differing requirements in their states.”

FloodSmart, the NFIP’s public awareness and marketing campaign, has been very successful in promoting flood protection. “Since the initiative began in October 2003, our policy growth rate has risen to nearly 3.8 percent,” explained Maurstad, adding that the NFIP has experienced 10 consecutive months of policy growth—another NFIP first.

Maurstad closed by summarizing FEMA’s Map Modernization initiative and describing one of the cooperative projects under way in Hillsborough, Florida to ensure that more than 40,000 residences and businesses being affected by new flood maps are properly informed and given the opportunity to convert to less expensive Preferred Risk Policies.

## Entering a New Hurricane Season

Pointing out the June 1 beginning of the Atlantic hurricane season, Florida’s Insurance Commissioner, Kevin McCarty, welcomed conferees to “The Sunshine State,” now sometimes known as “The Plywood State” or “The Blue Tarp State.”



*Kevin McCarty, Florida OIR*

“If Hurricane Andrew [a killer hurricane which struck Florida in August 1992] was a study of what went wrong in a hurricane, then the storms of 2004 demonstrated what went well,” said McCarty referring to lessons learned from

Hurricane Andrew that paid off during four Category II (or stronger) hurricanes that struck Florida in September 2004. Recovery strategies McCarty credited included communication—reducing confusion and conflict between agents/policyholders/adjusters, and between flood and general adjusters; coordination—between agents, adjusters, NFIP, Florida’s Office of Insurance Regulation (OIR), and disaster teams; efficiency—fewer claims adjusters were available than a decade earlier; and mitigation—growing evidence indicates that prior mitigation protected property owners in 2004.

## Celebrating 15 Years of Success

The NFIP’s Community Rating System (CRS) was next recognized for its success in mitigating floodplain losses.



*Mike Buckley, FEMA*

Mike Buckley, Acting Deputy Director of the Mitigation Division, described CRS’ role in FEMA’s integration of flood insurance, mitigation, and the implementation of the NFIP. He added that the CRS has become a model for public and private involvement in addressing all-hazard preparedness and mitigation.

Buckley summarized the history of the CRS, growing from 293 communities in 1991 to 1,018 participating communities in 2005. Buckley credited no small part of this success to the vision of Frank Reilly (the “father of the CRS”), technical guidance from the Insurance Services Office, and the efforts of the CRS Task Force.



*Bret Gates, FEMA*

Bret Gates, FEMA’s CRS Program Manager, next described the CRS premium discount incentives given to NFIP policyholders when communities undertake mitigation projects. The CRS now provides \$150 million in discounts to more than 3 million NFIP policyholders.

However, Gates acknowledged that the greatest CRS reward is the reduction of flood losses that communities realize as a result of increased floodplain management activities. More than 70 percent of CRS communities have improved their class since joining, said Gates. Of these, 60 percent require a safety cushion that all new buildings be constructed 1, 2, or 3 feet above the BFE; 91 percent preserve parts of their floodplains as open space; 23 percent have elevated, acquired, or relocated at-risk buildings; and 48 percent provide flood protection assistance to home and business owners.

The CRS has been especially successful in Florida, according to Gates. “Twenty percent of all CRS communities are in Florida, providing more than \$87 million in CRS discounts to 1.7 million policyholders,” he said. “Five of the 207 Florida CRS communities receive a rating that provides a 25 percent discount on annual flood premiums. And right here on Marco Island, property owners receive a 15 percent discount!”



*Todd Davison, FEMA*

## Responding to the 2004 Storms

Todd Davison, Mitigation Director for FEMA Region IV, closed the opening session with a description of how the NFIP was successfully integrated into FEMA’s disaster operations following the hurricanes that hit Florida in September 2004.

An NFIP assistance and outreach plan was developed from the outset that included efforts to respond to flood-related questions by recruiting, training, and deploying more than 4,000 Disaster Field Office staff in Florida; implementing a toll-free hotline; developing a new model floodplain ordinance with Florida that was implemented statewide, attending hundreds of community meetings to answer questions, and working hard to explain ICC to the public, local officials, and contractors.

Davison described the risks of both riverine and coastal flooding in Florida, and the impact these had on risk assessment and disaster response after Hurricanes Charley, Frances, Ivan, and Jeanne last year.

## On View

Hundreds of conferees visited the Exhibit Hall yesterday to learn firsthand about flood-related products and services.

You are invited to drop by the Exhibit Hall today between 7:00 and 9:00 a.m. before the Town Halls convene. The Exhibit Hall will be open for the last time this afternoon from 4:15-5:30 p.m.

